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WASHINGTON

January 3, 1995

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

The Honorable Corrine Brown  
U.S. House of Representatives  
1037 Longworth House Office Building  
Washington, D.C. 20515

Dear Congresswoman Brown:

Thank you for your letter expressing your concern regarding the development of the Federal Communications Commission's cable rate regulation policy. Specifically, you express concern that the views of cable franchising authorities have not been included in discussions about the Commission's proposed policy changes. I appreciate the opportunity to respond.

On November 18, 1994, the Commission released its *Sixth Order on Reconsideration, Fifth Report and Order, and Seventh Notice of Proposed Rulemaking* (the "Going Forward Order"), MM Docket Nos. 92-266 and 93-215, FCC 94-286, adopting regulations for the cable television industry that provide cable operators with additional incentives to expand their services and facilities in a way that both ensures that cable rates are reasonable and expands the opportunities for cable programmers to reach viewers. Pursuant to the Administrative Procedure Act and the Commission's rules, all interested parties were given the opportunity to participate in the rulemaking proceeding through submission of written data, views, or arguments, as well as an opportunity to present the same orally.

During the drafting of the Going Forward Order, your concerns, as well as those of your constituents, were included in the record considered by the Commission. You may be interested to know that the National Association of Telecommunications Officers and Advisors (NATOA) also presented arguments in this proceeding regarding the effect of the proposed going forward rules on local franchising authorities on behalf of the many local franchising authorities within its membership. The Commission also specifically considered written comments filed by the City of St. Louis, Missouri, which raised similar issues. In addition, senior staff members of the Cable Services Bureau participated in regular telephone conferences with NATOA officials. We believe that the views of the local franchising authorities were thoroughly considered.

We believe the new rules established by the Going Forward Order create a balanced set of initiatives that allow cable operators needed incentives to add new cable programming that, in turn, will benefit subscribers. We have attempted to address your concerns and those of other local authorities in the Going Forward Order. Among other things, we made the new channel addition rules generally applicable only to the cable programming services tier

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("CPST") and unregulated services. The major exception is that the new rules will affect rates on the basic service tier when an operator offers only one tier of service. Since the new channel addition rules in most instances relate only to CPSTs, subscribers will still have the option of a low rate basic service tier. Furthermore, by limiting the new channel addition rules to CPSTs in most instances, franchising authorities should not be inconvenienced by our new regulations because the responsibility of regulating CPST rates lies with the Commission rather than with local authorities. Enclosed is a News Release that summarizes the Going Forward Order, as well as the Executive Summary from that Order. Please let me know if you would like a copy of the text of the decision.

I trust that this response will prove both informative and helpful.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Reed E. Hundt', with a long horizontal flourish extending to the right.

Reed E. Hundt  
Chairman

Enclosures

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**Congress of the United States  
House of Representatives  
Washington, DC 20515**

**CORRINE BROWN**  
3D DISTRICT, FLORIDA

November 2, 1994

**REPLY TO:**

**WASHINGTON OFFICE:**  
1037 Longworth Building  
Washington, DC 20515  
(202) 225-0123  
FAX (202) 225-2256

**DISTRICT OFFICES:**  
815 South Main Street  
IBM Building, Suite 275  
Jacksonville, FL 32207  
(904) 398-8567  
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75 Ivanhoe Boulevard  
Chamber of Commerce  
Orlando, FL 32804  
(407) 872-0656  
FAX (407) 872-5763

401 SE First Avenue  
Room 316  
Gainesville, FL 32601  
(904) 375-6003  
FAX (904) 375-6008

250 North Beach Street  
Room 80-1  
Daytona Beach, FL 32114  
(904) 254-4622  
FAX (904) 254-4659

Mr. Reed Hundt  
Chairman  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20551

Dear Chairman Hundt:

I understand that the Federal Communications Commission (FCC) is developing a new policy with regard to cable rate regulation rules. While I have made no final decision about the proposed policy, I have received disturbing reports from local and county governments that franchising authorities are not being included in the FCC's current discussions about the proposed policy changes.

As you know under the 1992 Cable Act, local government is responsible for setting the rates for basic cable service, equipment, and for service calls. According to press reports and presentations at a recent national municipal meeting, you have met twenty times with cable operators, but only once with municipalities.

The Cable Act made franchising authorities equal partners with the FCC in regulating rates. Franchising authorities, in other words, local and county governments, are very concerned that any changes from the FCC will be so burdensome that many communities will stop regulating rates or will have loopholes. The FCC needs to have their input to prevent problems such as these from occurring, but so far this has not happened.

I urge you to meet with franchising authorities before implementing significant changes to cable rate regulation rules that could have such a major impact on consumers.

Thank you for your attention to this matter.

With kindest regards, I am

Sincerely,

*Corrine Brown*

Corrine Brown  
Member of Congress

CB:jr